

SIDLEY & AUSTIN

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

1722 EYE STREET, N.W.
WASHINGTON, D.C. 20006
TELEPHONE 202: 429-4000
TELEX 89-463

ONE FIRST NATIONAL PLAZA
CHICAGO, ILLINOIS 60603
312: 553-7000 TELEX 25-4364

2049 CENTURY PARK EAST
LOS ANGELES, CALIFORNIA 90067
213: 553-8100 TELEX 18-1391

520 MADISON AVENUE
NEW YORK, NEW YORK 10022
212: 418-2100 TELEX 97-1696

18 KING WILLIAM STREET
LONDON, EC4N 7SA, ENGLAND
441: 621-1616 TELEX 924125

5 SHENTON WAY
SINGAPORE 0106
65: 224-5000 TELEX 28754

P.O. BOX 8650
RIYADH, SAUDI ARABIA
966-1-463-4160 TELEX 404947

May 6, 1987

BY HAND

Ms. Mildred Lee
Recordation Unit
Interstate Commerce Commission
12th Street & Constitution Avenue, N.W.
Room 2303
Washington, D.C. 20423

RECORDATION NO. 1 5220 Filed & Recorded

MAY 6 1987 12-05 PM
INTERSTATE COMMERCE COMMISSION

Dear Ms. Lee:

Enclosed herewith please find three copies of an Equipment Mortgage and Assignment of Leases, the parties to which are Chicago South Shore and South Bend Railroad (Borrower), 200 South Wacker Drive, Chicago, Illinois 60606 and Citicorp Industrial Credit, Inc. (Agent), c/o Venango River Corp., 307 N. Michigan Avenue, Chicago, Illinois 60601. The equipment to be leased consists of railroad cars and locomotives as set forth in Attachment II to the Equipment Lease Agreement.

The name, address and phone number of the person requesting the registration of this Lease is:

G. Paul Moates
Sidley & Austin
1722 Eye Street, N.W.
Washington, D.C. 20006
Telephone: (202) 429-4175

Thank you for your assistance.

Sincerely,

G. Paul Moates

G. Paul Moates

GPM:vam
Enclosures

Countersigned Mary Lee Carson

Interstate Commerce Commission
Washington, D.C. 20423

5/7/87

OFFICE OF THE SECRETARY

G. Paul Moates
Sidley & Austin
1722 Eye Street, N.W.
Washington, D.C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 5/6/87 at 12:05pm, and assigned re-recording number(s). 15220

Sincerely yours,

Noreta K. McGehee
Secretary

Enclosure(s)

SE-30
(7/79)

EQUIPMENT MORTGAGE AND ASSIGNMENT OF LEASES

RECORDATION NO. 1 5220
MAY 6 1987 12:05 PM
FEDERAL RESERVE BANK
INTERSTATE COMMERCE COMMISSION

THIS EQUIPMENT MORTGAGE AND ASSIGNMENT OF LEASES ("Mortgage") dated as of April 24, 1987, between Chicago South Shore and South Bend Railroad, an Indiana corporation ("Borrower"), and Citicorp Industrial Credit, Inc., a Delaware corporation, in its capacity as agent ("Agent") for the "Lenders" (as defined in that certain Credit Agreement ("Credit Agreement") of even date herewith among Borrower, Agent, Heller Financial, Inc. ("Heller") and Citicorp Industrial Credit, Inc. in its individual capacity ("CIC"))).

WHEREAS, pursuant to the Credit Agreement (i) Lenders may, from time to time, extend certain credit and other financial accommodations to Borrower and (ii) Borrower has granted to Agent, for the benefit of Lenders and Agent, liens and security interests in substantially all of Borrower's personal property as security for the "Obligations" (as defined in the Credit Agreement);

WHEREAS, Borrower has executed and delivered to Lenders and Agent that certain Guaranty, Security and Subordination Agreement of even date herewith pursuant to which (i) Borrower has guaranteed (a) the obligations of Chicago, Missouri & Western Railway Company, an Illinois corporation ("CM&W"), to Lenders and Agent and (b) the obligations of Venango River Corporation, an Illinois corporation ("Venango"), to Lenders and Agent and (ii) Borrower has granted to Agent, for the benefit of Lenders and Agent, liens and security interests in substantially all of Borrower's personal property as security for the "Guaranty Obligations" (as defined in the Credit Agreement);

NOW, THEREFORE, for and in consideration of the foregoing, the parties hereto hereby agree as follows:

Section 1. Collateral.

Section 1.1 Grant of Security Interest. As security for the Obligations, the Guaranty Obligations, and Borrower's payment and performance obligations hereunder (the Obligations, the Guaranty Obligations and such payment and performance obligations being hereinafter, from time to time, collectively referred to as the "Liabilities"), Borrower hereby grants to Agent, for the benefit of Agent and Lenders, a security interest in and chattel mortgage on or the following:

(a) All of Borrower's railroad cars and locomotives, together with all accessories, equipment, parts and appurtenances appertaining or

attached thereto, whether now owned or hereafter acquired, and all additions, improvements, accessions and accumulations to any and all of said equipment, including, without limitation, any equipment obtained by Borrower through the exercise of any purchase option under any of the "Leases" (as hereinafter defined), and all substitutions, renewals or replacements of any of the foregoing, together with all the rents, issues, income, proceeds and avails therefrom (collectively, the "Equipment");

(b) All proceeds (including, without limitation, insurance and indemnity payments) from the sale or loss or other disposition of the Equipment; and

(c) All of Borrower's leases, other than those leases identified as "Excluded" on Attachment I hereto and hereby made a part hereof, (the "Leases"), whether now or hereafter existing, of railroad cars and locomotives, and all additions, improvements, substitutions, renewals or replacements to such railroad cars and locomotives (collectively, the "Leased Equipment") between the Borrower as Lessee and other parties as Lessors (the "Lessors"), including, without limitation, (i) all claims for damages arising out of the breach of any Lease, (ii) the right, if any, to terminate any Lease, to perform thereunder and to compel performance of the terms thereof, (iii) the right to take possession of the Leased Equipment and to use any and all of the Leased Equipment, subject to the right of the Lessors therein, (iv) the right to make all waivers and agreements and to enter into any amendments relating to any Lease or any provision thereof, (v) the right to take such action upon the occurrence of an event of default under any Lease, including, without limitation, the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by any Lease or by law, and (vi) all other rights, claims, causes of action, if any, which Borrower may have against any Lessor with respect to any Lease including, without limitation, the right to exercise any purchase options under such Leases.

All such Equipment, Leases, rights, claims and causes of action described in the immediately preceding clauses (a), (b) and (c) and proceeds with respect thereto are herein collectively referred to as the "Collateral."

Section 1.2. Representations and Warranties of Borrower. Borrower represents and warrants:

(i) That all railcars and locomotives owned by Borrower are identified by serial, running or other identifying number on Attachment II hereto and hereby made a part hereof.

(ii) That all of Borrower's now existing Leases are set forth on Attachment I hereto and that the leases listed on Attachment I hereto as Excluded Leases cannot be assigned under this Mortgage without the lessor's consent.

(iii) That Borrower shall not enter into any renewals or extensions of its existing Leases or enter into any new Leases without first obtaining the lessor's written consent to this Mortgage.

(iv) That except as otherwise disclosed on Attachment III hereto and hereby made a part hereof, it is the sole owner of all of the Equipment, that there are no encumbrances or liens of any kind or character against any of the Equipment or any Lease and that it has good right and lawful authority to assign, pledge, mortgage, and grant a security interest in the Leases and the Equipment.

(v) That except as otherwise disclosed on Attachment III hereto, it has not assigned, pledged or mortgaged, and hereby covenants that it will not assign, pledge or mortgage, so long as this Mortgage shall remain in effect, the whole or any part of the rights or interests hereby assigned, pledged, mortgaged, and granted by it hereunder to anyone other than the Agent and its successors and assigns.

(vi) Borrower agrees to warrant and defend the rights and interests of Agent, for the benefit of Agent and Lenders, in and to the Equipment and the Leases against the rights or claims of any persons.

(vii) Borrower is not, as of the date hereof, in default under any of the provisions of any of the Leases.

Section 1.3. Maintenance and Repair. Borrower agrees that, at its own cost and expense, it will maintain and keep all the Equipment and the Leased Equipment in good order and repair in accordance with industry standards and with the Interchange Rules of the Association of American Railroads and in full compliance with any applicable law, rules, regulations or standards which may be promulgated by

the Department of Transportation, Federal Railway Administration, the Interstate Commerce Commission ("ICC") or any other applicable regulatory body or any successor agency or party thereto.

Section 1.4. Inspections. Agent shall have the right to inspect the Equipment, the Leased Equipment and Borrower's records with respect thereto at such reasonable times as the Agent may request.

Section 1.5. Marking of Equipment. Borrower will keep and maintain, or cause to be kept and maintained, plainly, distinctly, permanently and conspicuously marked on each item of Equipment and Leased Equipment in letters not less than seven-sixteenths of an inch in height:

"OWNERSHIP SUBJECT TO CHATTEL MORTGAGE
AND SECURITY AGREEMENT AS SET FORTH IN
AN EQUIPMENT MORTGAGE AND ASSIGNMENT
OF LEASES FILED WITH THE INTERSTATE
COMMERCE COMMISSION."

or other appropriate words designated by Agent with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the security interests of Agent, for itself and the benefit of Lenders, in the Equipment, the Leases and its rights hereunder. Borrower will not place any item of Equipment or Leased Equipment in operation or exercise any control or dominion over any item of (i) now-owned Equipment for a period exceeding ninety (90) days, (ii) now-leased Leased Equipment for a period exceeding ninety (90) days or (iii) after-acquired Equipment or Leased Equipment, unless and until such markings have been made thereon and will replace promptly any such markings which may be removed, defaced or destroyed; provided that, (i) if the term of any Lease pursuant to which Borrower has leased any item or items of Leased Equipment is less than one (1) year or (ii) any Lease pursuant to which Borrower has leased any item or items of Leased Equipment prohibits the marking of such item or items of Leased Equipment, Borrower shall not be required to place such markings on such item or items of Leased Equipment. Borrower will cause the Equipment and Leased Equipment to be kept numbered with the respective serial, running and other identifying numbers set forth in Attachment II hereto. Borrower will not (a) change or authorize to be changed such serial, running or other identifying numbers or (b) place any item of Equipment or Leased Equipment in service or otherwise exercise any control or dominion over any item of Equipment or Leased Equipment if the serial, running or other identifying number of such item of Equipment or Leased Equipment is not contained in Attachment II hereto, unless and until an amendment to this Mortgage shall have been filed and recorded by Borrower with the ICC,

and Borrower shall have furnished to Agent a legal opinion to the effect that (i) such amendment has been so filed and recorded, (ii) such filing and recordation will protect Agent's security interest and chattel mortgage, for itself and the benefit of Lenders, in the Equipment and the Leases and (iii) no other filing or recording with or to any other Federal, state or local government or agency thereof is necessary to protect the security interest of Agent, for itself and the benefit of Lenders, in the Equipment and the Leases in the United States. If Borrower fails to take any action specified in the immediately preceding sentence, Borrower hereby authorizes Agent to modify this Mortgage by amending Attachment II hereto as applicable, to reflect such changes or additions to the serial, running or other identifying numbers contained therein and to record the same with the ICC.

Section 1.6. Destruction of Equipment. Borrower will bear the responsibility for and risk of, and shall not be released from the Liabilities in the event of, any damage to or the destruction or loss of any or all of the Equipment or any or all of the Leased Equipment.

Section 1.7. Borrower's Agreements with Respect to the Leases. To protect the grant of security interest to Agent, for the benefit of Agent and Lenders, in the Leases, Borrower hereby agrees as follows:

(a) Borrower shall faithfully abide by, perform and discharge each and every material obligation, covenant, condition, duty and agreement which the Leases provide are to be performed by Borrower.

(b) Without the prior written consent of Agent, Borrower shall not amend, modify or otherwise change or terminate any of the Leases. Any attempts at amendment, modification, other change or termination of the Leases made in violation of the provisions of this Section 1.7(b) shall be void.

(c) .At Borrower's sole cost and expense, Borrower will appear in and defend any action or proceedings arising under, growing out of or in any manner connected with the obligations, covenants, conditions, charters, agreements or liabilities of Borrower under any and all of the Leases.

(d) Without the prior written consent of Agent, Borrower shall not commence or compromise any action, suit, proceeding or case or file any application or make any motion affecting any of the

Leases in any bankruptcy proceeding other than a proceeding in which Borrower is the debtor.

Section 2. Defaults

Section 2.1. Events of Default. The occurrence of any one or more of the following events shall constitute an Event of Default hereunder:

- (a) There shall occur an "Event of Default" (as defined in the Credit Agreement);
- (b) Borrower shall fail to perform any of its obligations under this Mortgage; or
- (c) Any representation made to Agent in this Mortgage shall prove to be materially false or misleading at the time when made.

Section 3. Remedies.

Section 3.1. Remedies. Upon the occurrence and during the continuance of any Event of Default, Agent may do any one or more of the following acts (but shall be under no obligation to do so) regarding the Collateral, or any portion thereof:

- (a) perform or discharge any obligation or duty of Borrower under any of the Leases to such extent as Agent may deem necessary or advisable to protect the security provided hereunder;
- (b) exercise all the rights and remedies in foreclosure and otherwise granted to secured parties under the provisions of applicable laws;
- (c) institute legal proceedings for the specific performance of any covenant or agreement herein undertaken by Borrower or for aid in the execution of any power or remedy herein granted;
- (d) institute legal proceedings to foreclose upon and against the security interest and the chattel mortgage in the Equipment and the Leases granted in and by this Mortgage, to recover judgment for all amounts then due and owing as Liabilities, and to collect the same out of any sale of the Collateral or of collections upon the Leases;
- (e) institute legal proceedings for the sale, under the judgment or decree of any court of

competent jurisdiction, of any of the Equipment or the Leases;

(f) demand, collect, and retain all hire, earnings and other sums due and to become due to Borrower in respect of the Equipment, the Leases and the Leased Equipment from any party whomsoever, accounting only for the net earnings arising from such use, if any, after charging against any receipts from the use of the same and from any subsequent sale thereof all costs and expenses of and damages or losses by reason of, such use or sale;

(g) sell or dispose of all or any part of the Collateral, free from any and all claims of Borrower or of any other party claiming by, through, except those claims listed on Attachment III hereto, or under Borrower at law, in equity, or otherwise, at one or more public or private sales, in such place or places, at such time or times, and upon such terms as Agent may determine, in its sole and complete discretion and in light of the best interests of Agent and Lenders, with or without previous demand on or notice to Borrower or advertisement of any such sale or other disposal, except as may be required by law; and for the aforesaid purposes, all notices of sale, advertisements, and demands and any rights or equities of redemption otherwise required or available to Borrower under applicable law are hereby waived by Borrower to the fullest extent permitted by applicable law. The power of sale hereunder shall not be exhausted by one or more sales, and Agent from time to time may adjourn any sale to be made pursuant to this Section 3.1; or

(h) assign its rights and interests in any and all of the Leases, without Borrower's consent, to any successor or assignee of Agent or to any other third party.

In the event that Agent exercises any of its rights under this Mortgage, all payments or proceeds received by the Agent resulting from such exercise shall be applied in accordance with the terms of the Credit Agreement.

Section 3.2. Sale. Any sale of the Equipment or the Leases may be in one lot as an entirety or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as Agent may determine. Agent may bid for and become the purchaser of the Equipment or the Leases, or any portion

thereof, so offered for sale. In the event that Agent shall be the purchaser thereof, it shall not be accountable to Borrower upon a subsequent disposition of such property.

Section 3.3. Assembly of Equipment. Upon the occurrence of an Event of Default, Agent may designate some premises for the delivery of the Equipment and the Leased Equipment to Agent, which premises may include premises owned, leased or under the control of Borrower, and Borrower shall, at its own expense, arrange for such Equipment and the Leased Equipment to be delivered to Agent at such premises. This agreement to deliver the Equipment and the Leased Equipment as hereinbefore provided is of the essence of the agreement between the parties, and, upon application to any court having jurisdiction in the premises, Agent shall be entitled to a decree against Borrower requiring specific performance hereof. Borrower further agrees to store such Equipment and the Leased Equipment, at Borrower's expense, pending Agent's disposition thereof for a period not in excess of six months. Borrower hereby expressly waives any and all claims against Agent or its agents for damages of whatever nature in connection with any lawful retaking of any item of Equipment or the Leased Equipment pursuant to the terms hereof.

Section 3.4. Waiver by Borrower. To the extent permitted by law, Borrower covenants that it will not at any time insist upon or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law now or at any time hereafter in force, nor claim, take, or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Equipment, the Leases or the Leased Equipment or any part thereof prior to any sale or sales thereof to be made pursuant to any provision herein contained, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor, after such sale or sales, claim or exercise any right under any statute now or hereafter made or enacted by any state or otherwise to redeem the property so sold or any part thereof, and, to the full extent legally permitted, hereby expressly waives for itself and on behalf of each and every person, except decree or judgment creditors of Borrower acquiring any interest in or title to the Equipment, the Leases or the Leased Equipment or any part thereof subsequent to the date of this Mortgage, all benefit and advantage of any such law or laws, and covenants that it will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any power herein granted and delegated to Agent, but will suffer and permit the execution of every such power as though no such power, law or laws had been made or enacted.

Section 4. General.

Section 4.1. Rights Cumulative. Each and every power and remedy hereby specifically given to Agent shall be in addition to or every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time simultaneously and as often and in such order as may be deemed expedient by Lenders or Agent. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of Agent or Lenders in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein. Any extension of time for payment hereunder or other indulgence duly granted to Borrower shall not otherwise alter or affect Agent's or Lenders' rights or the Liabilities. Agent's or Lenders' acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Liabilities or Agent's or Lenders' rights hereunder with respect to any subsequent payments or default therein.

Section 4.2. Waiver. Except as otherwise provided in this Mortgage, Borrower, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell or lease the Equipment or the Leases, and any other requirements as to the time, place and terms of the sale or lease thereof, any other requirements with respect to the enforcement of Agent's rights under this Mortgage and any and all rights of redemption.

Section 4.3. Satisfaction of Mortgage and Termination of Mortgage. When all the Liabilities have been paid in full and the Credit Agreement and the Guaranty have been terminated, the Agent shall release the lien of this Mortgage with respect to the Collateral by an appropriate document in recordable form and thereupon this Mortgage shall be satisfied and void.

Section 4.4. Section Headings, Effect and Modification of Agreement. All section headings are inserted for convenience only and shall not affect any construction or interpretation of this Mortgage.

Section 4.5. Modifications. No variation or modification of this Mortgage and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of Agent and Borrower.

Section 4.6. Notices. All notices hereunder to any of the parties designated below shall be deemed to be properly served if delivered or mailed to the respective addresses set forth in the Credit Agreement in the manner set forth in the Credit Agreement. Borrower shall cause a copy of every notice or communication received from or on behalf of any of the other parties to any of the Leases to be promptly delivered to the Agent at its address set forth in the Credit Agreement, including, without limitation, the filing of any bankruptcy petition by or against, or the institution of any insolvency or reorganization proceeding involving, any such party.

Section 4.7. Law Governing. The terms of this Mortgage and all rights and obligations hereunder shall be governed by the laws of Illinois; provided, however, that the Agent, for itself and the benefit of Lenders, shall be entitled to all rights conferred by the filing, recording or deposit hereof in the appropriate office(s) pursuant to Section 11303 of the Interstate Commerce Act or in such other offices as may be appropriate in the jurisdiction in which the Equipment or the Leased Equipment is operated.

Section 4.8. Counterparts. This Mortgage may be executed in several counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement.

Section 4.9. Successors and Assigns. This Mortgage shall be binding upon Borrower and inure to the benefit of Agent, Lenders and their successors and assigns. Borrower may not assign or transfer its rights hereunder without the prior written consent of Agent.

Section 4.10. Severability. The provisions of this Mortgage are severable and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction or any other clause or provision of this Mortgage in any jurisdiction. Without limiting the generality of the foregoing, the parties hereto intend that the security interest and chattel mortgage created by this Mortgage and securing the Obligations and the Guaranty Obligations shall be severable, and if any portion of the Obligations or Guaranty Obligations shall be invalid, unenforceable or void under applicable law, then the security interest and chattel mortgage created by this Mortgage shall be invalid, unenforceable or void solely to the extent of such invalidity, unenforceability or avoidance of such portion of the Obligations or the Guaranty Obligations without rendering the remainder of the

security interest and chattel mortgage created by this Mortgage unenforceable, invalid or void.

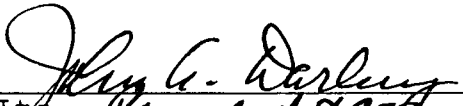
4.11. Further Assurances. Borrower will, from time to time, do and perform any other act or acts and will execute, acknowledge, and deliver, and file, register, and record (and will re-file, re-register and re-record whenever required) any further instrument, including any extensions and renewals thereof, required by law or requested by Agent in order to confirm or further assure the interests of Agent, on behalf of itself and Lenders, hereunder.

4.12. Agent's Rights Subject to IBM's Rights. Notwithstanding anything contained herein to the contrary, the lien and security interest created hereby shall be subject to the rights of International Business Machines Corporation ("IBM") pursuant to that certain Transfer and Lease Agreement dated as of November, 6, 1981 between IBM and Borrower.

IN WITNESS WHEREOF, the undersigned has caused this Mortgage to be executed by its duly authorized representative as of the day and year first set forth above.

CHICAGO SOUTH SHORE AND SOUTH
BEND RAILROAD

By:


Its President & CEO

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On this 24th day of April, 1987, before me personally appeared JOHN A. DARWIN, to me personally known who, being by me duly sworn, says that he is a Pres. & CEO of Chicago South Shore and South Bend Railroad and that said instrument was on April 24, 1987, signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Mary M. Atkinson
Notary Public

(NOTARIAL SEAL)

My Commission Expires: July 6, 1989

Attachment I

Excluded Leases

1. Lease dated as of May 30, 1984 between the Pittsburgh and Lake Erie Railroad Company and Borrower.
2. Railcar Lease Agreement dated as of May 17, 1986 between Norcar Equipment Company and Borrower.
3. Railcar Lease Agreement dated as of February 8, 1985 between First Security State Bank as Owner Trustee and Borrower.
4. Railcar Lease Agreement dated as of February 11, 1986 between C.I.T. Leasing Corporation and Borrower.
5. Railcar Lease Agreement dated as of December 16, 1985 between Norcar Equipment Company and Borrower.

Included Leases

None.

ATTACHMENT II

15 220

<u>Type</u>	<u>Running No.</u>
Gondola	CSS 001210
Gondola	CSS 001225
Gondola	CSS 001226
Gondola	CSS 001228
Gondola	CSS 001229
Gondola	CSS 001230
Gondola	CSS 001231
Gondola	CSS 001232
Gondola	CSS 001233
Gondola	CSS 001234
Gondola	CSS 001235
Gondola	CSS 001236
Box Car	CSS 001501
Box Car	CSS 001502
Box Car	CSS 001503
Box Car	CSS 001504
Covered Hopper	CSS 001302
Covered Hopper	CSS 001303
Covered Hopper	CSS 001304
Covered Hopper	CSS 001375
Covered Hopper	CSS 001376
Flat Car	CSS 001432
Locomotive	CSS 2000
Locomotive	CSS 2001
Locomotive	CSS 2002
Locomotive	CSS 2003
Locomotive	CSS 2004
Locomotive	CSS 2005
Locomotive	CSS 2006
Locomotive	CSS 2007
Locomotive	CSS 2008
Locomotive	CSS 2009
Caboose	CSS 1067
Caboose	CSS 319
Caboose	CSS 327
Caboose	CSS 329
Caboose	CSS 999008
Caboose	CSS 10001
Caboose	CSS 999061
Caboose	CSS 999096
Caboose	CSS 999149
Caboose	CSS 999196
Caboose	CSS 999257
Caboose	CSS 999486
Passenger Car	RTA 1342
Service and Work Car	CSS 0503
Service and Work Car	CSS 1100
Service and Work Car	CSS 1128

<u>Type</u>	<u>Running No.</u>
Service and Work Car	CSS 1134
Service and Work Car	CSS 1135
Service and Work Car	CSS 1137
Service and Work Car	CSS 1138
Service and Work Car	CSS 1150
Service and Work Car	CSS 1151
Service and Work Car	CSS 1401
Service and Work Car	CSS 1413
Service and Work Car	CSS 1414
Service and Work Car	CSS 1453
Service and Work Car	CSS X1301

Attachment III

1. Transfer and Lease Agreement dated as of November 6, 1981 between International Business Machines Corporation and Borrower.

2. Conditional Sale Agreement dated as of March 1, 1981 between The Chesapeake and Ohio Railway Company ("C&O") and the Borrower.

3. Equipment Trust Agreement dated as of March 1, 1981 between C&O and Mercantile-Safe Deposit and Trust Company.

4. Mortgage dated as of September 28, 1984 among Borrower, Indiana and Kensington Railroad Company, and American National Bank and Trust Company of Chicago (which mortgage is to be released immediately upon the consummation of the transactions contemplated herein).